

PERFORMANCE AUDIT

Baldwin-Whitehall School District Allegheny County, Pennsylvania

August 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Randal A. Lutz, Superintendent
Baldwin-Whitehall School District
4900 Curry Road
Pittsburgh, Pennsylvania 15236

Mr. David J. Solenday, Board President
Baldwin-Whitehall School District
4900 Curry Road
Pittsburgh, Pennsylvania 15236

Dear Dr. Lutz and Mr. Solenday:

We have conducted a performance audit of the Baldwin-Whitehall School District (District) for the period July 1, 2014 through June 30, 2018, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Transportation Operations
- Bus Driver Requirements

We also evaluated the application of best practices in the area of school safety. Due to the sensitive nature of this issue and the need for the results of this review to be confidential, we did not include the results in this report. However, we communicated the results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate officials as deemed necessary.

The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit found that the District performed adequately in the bulleted areas listed above, except as noted in the following finding:

- The District Inaccurately Reported the Number of Nonpublic School Students Transported Resulting in a \$53,515 Overpayment to the District

Dr. Randal A. Lutz
Mr. David J. Solenday
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We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

August 20, 2019

cc: **BALDWIN-WHITEHALL SCHOOL DISTRICT** Board of School Directors

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Background Information

School Characteristics 2018-19 School Year ^A	
County	Allegheny
Total Square Miles	10.08
Number of School Buildings	5
Total Teachers	266
Total Full or Part-Time Support Staff	240
Total Administrators	34
Total Enrollment for Most Recent School Year	4,362
Intermediate Unit Number	3
District Vo-Tech School	Steel Center for Career and Technical Education

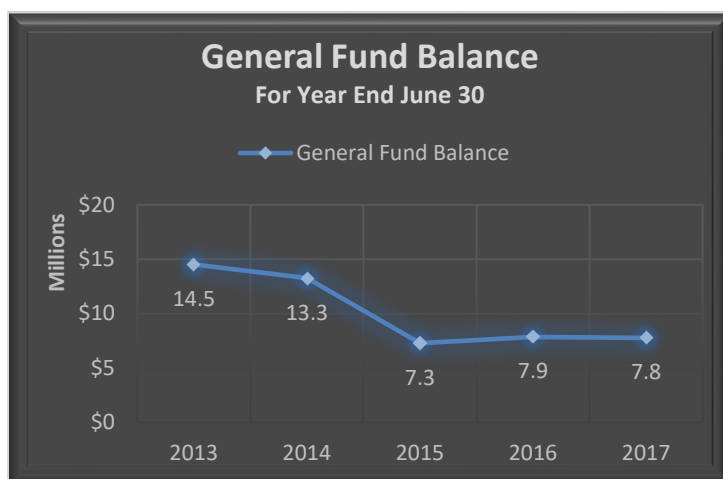
A - Source: Information provided by the District administration and is unaudited.

Mission Statement^A

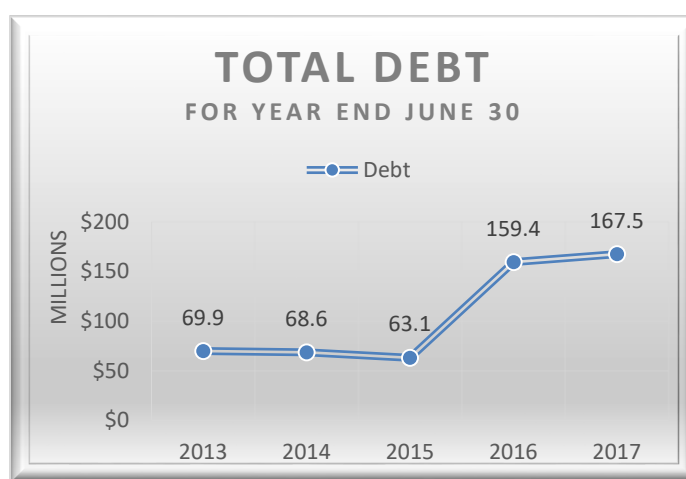
The Baldwin-Whitehall School District is committed to the promotion of excellence through a system of traditional values, a quality educational program, and a world of opportunities.

Financial Information

The following pages contain financial information about the Baldwin-Whitehall School District (District) obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.

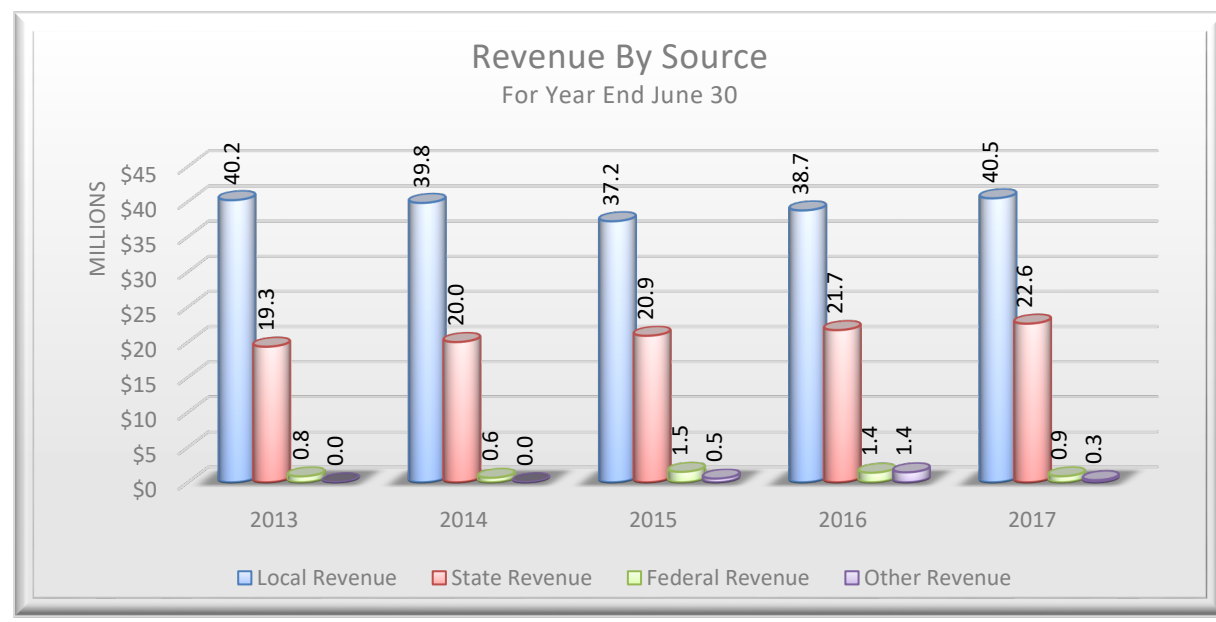
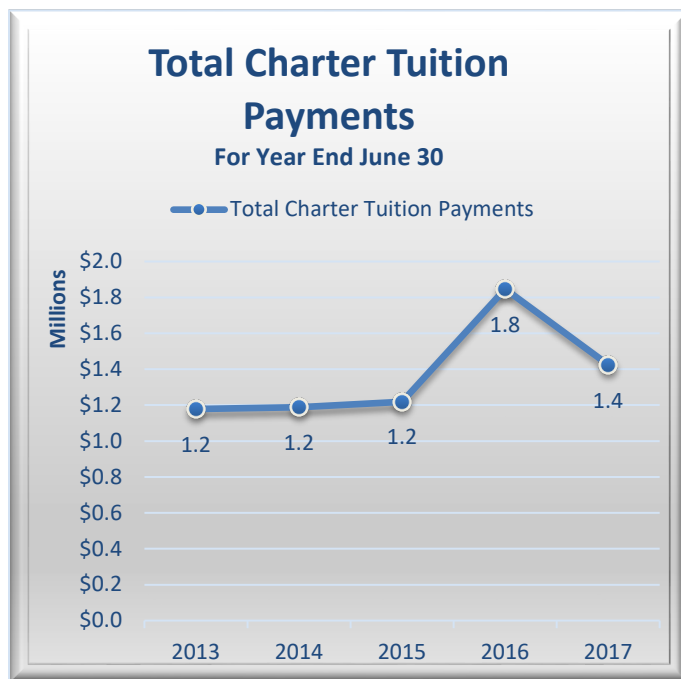
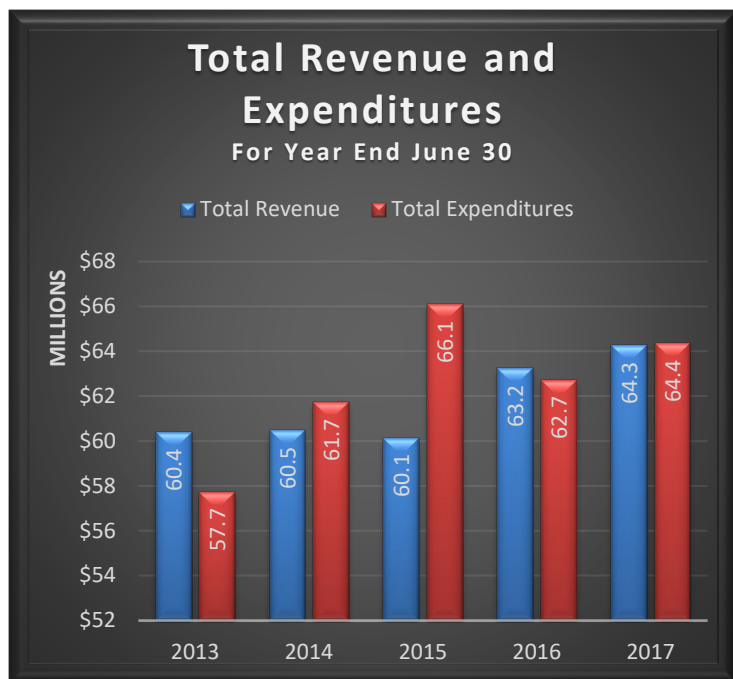


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.

Financial Information Continued



Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA) scores, Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2014-15, 2015-16 and 2016-17 school years.¹ These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding graph.² Finally, benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.³

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score using a 0-100 scale for all school buildings in the Commonwealth annually, which is calculated based on standardized testing (i.e., PSSA and Keystone exam scores), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.

PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle schools were put on hold due to changes with PSSA testing.⁴ PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until the 2020-21 school year.⁵ In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

¹ PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

² PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

³ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

⁴ According to PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of the PSSA exams to align with PA Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

⁵ Act 39 of 2018, effective July 1, 2018, amended the Public School Code to further delay the use of Keystone Exams as a graduation requirement for an additional year until the 2020-21 school year. *See* 24 P.S. § 1-121(b)(1).

What is the PSSA?

The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English and Math. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, and policymakers with important information about the state's students and schools.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.⁶ The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.

What is a 4-Year Cohort Graduation Rate?

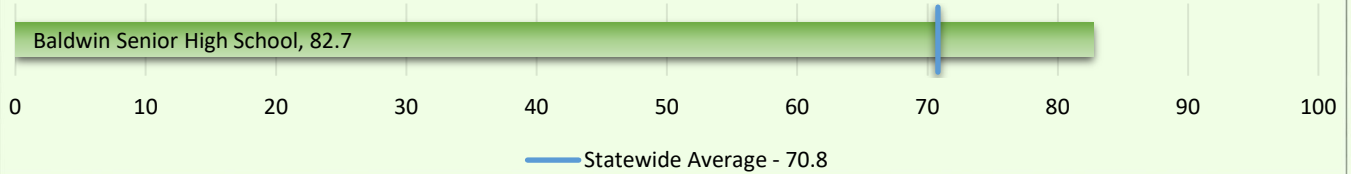
PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph.⁷

⁶ PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam.

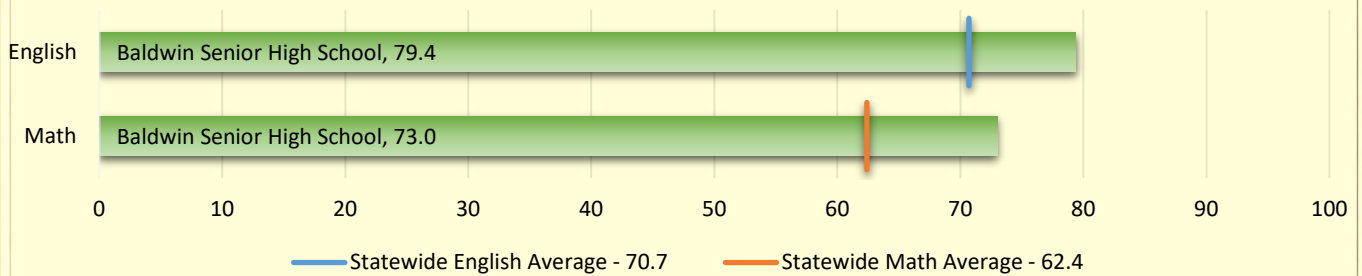
⁷ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

2014-15 Academic Data
School Scores Compared to Statewide Averages

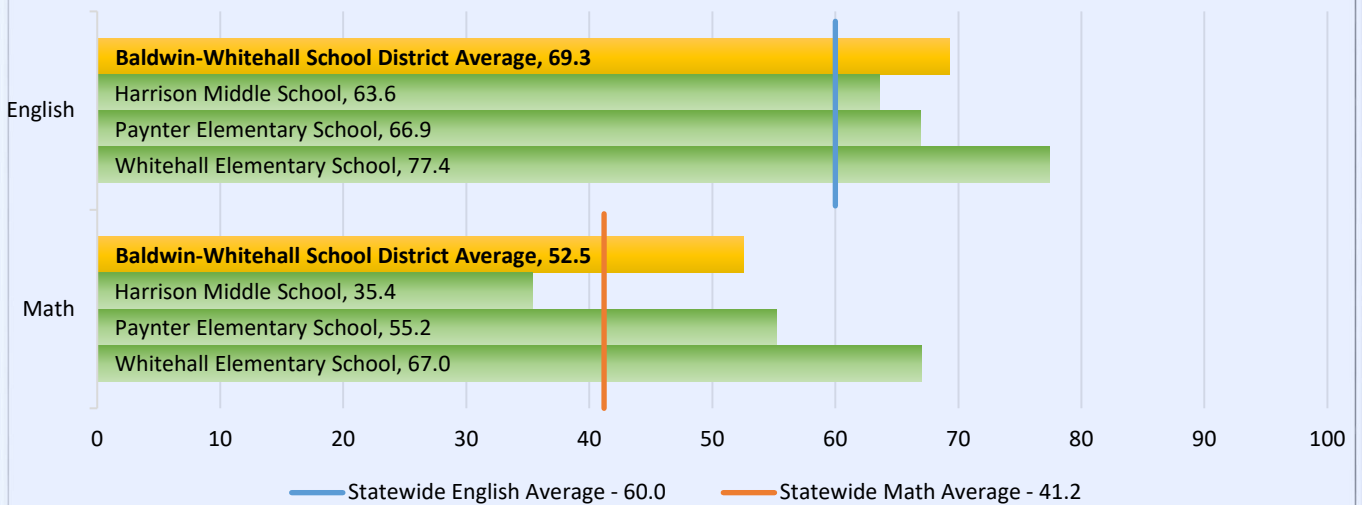
2014-15 SPP Scores



2014-15 Keystone % Advanced or Proficient

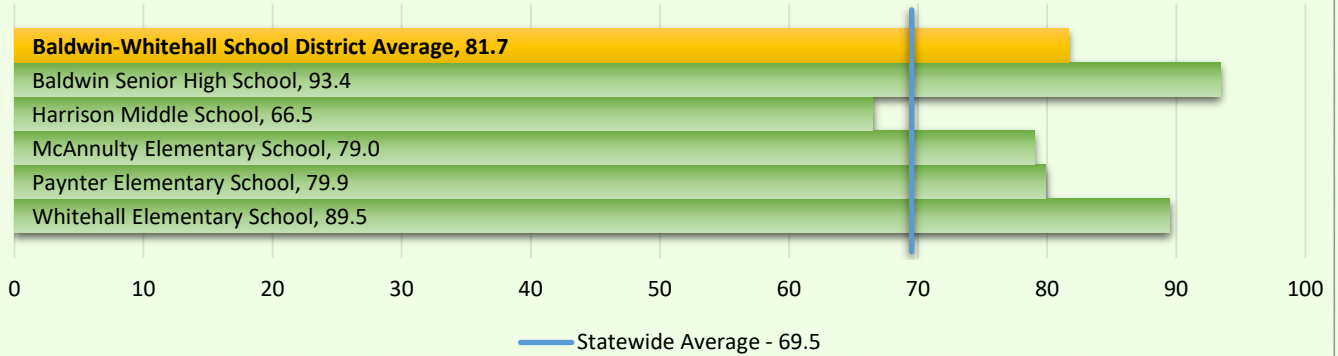


2014-15 PSSA % Advanced or Proficient

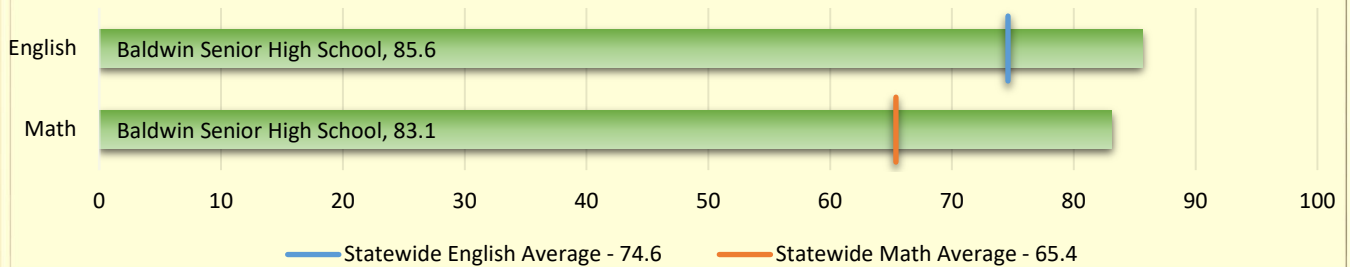


2015-16 Academic Data
School Scores Compared to Statewide Averages

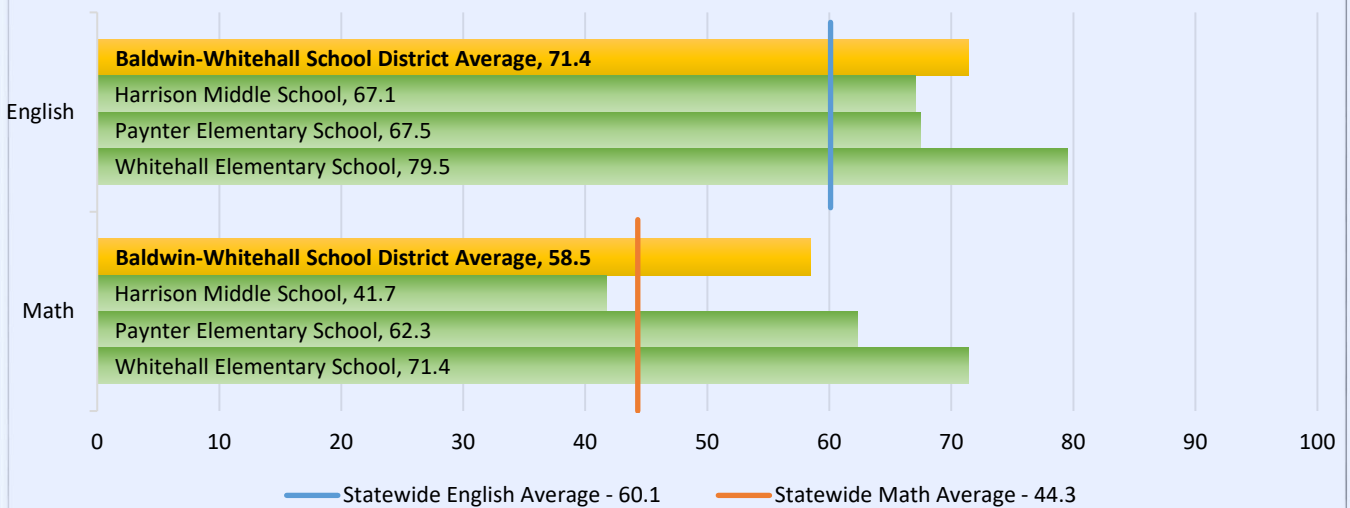
2015-16 SPP Scores



2015-16 Keystone % Advanced or Proficient

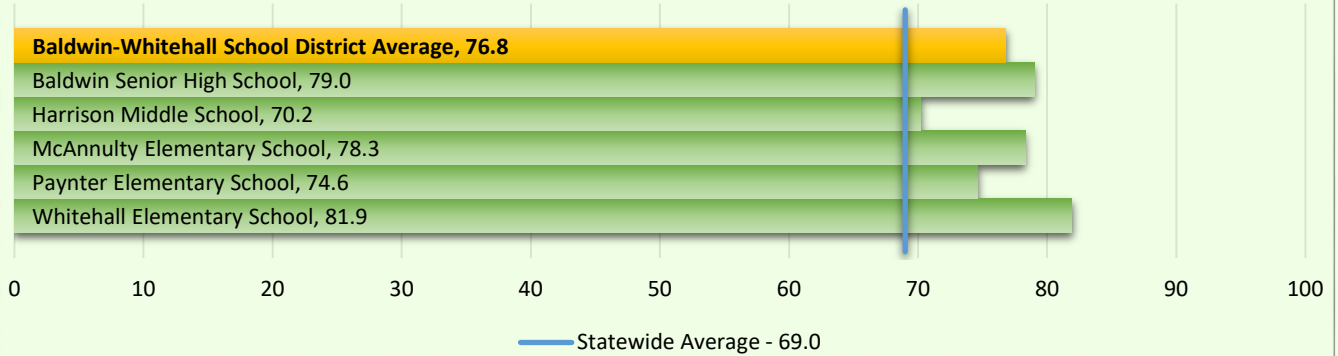


2015-16 PSSA % Advanced or Proficient

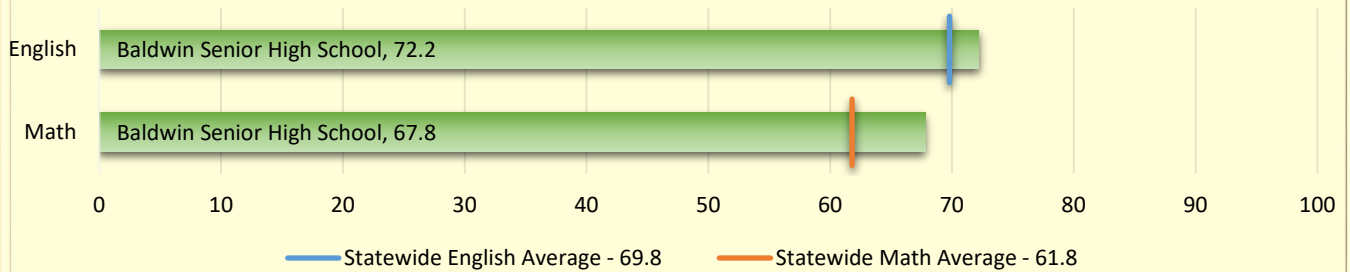


2016-17 Academic Data
School Scores Compared to Statewide Averages

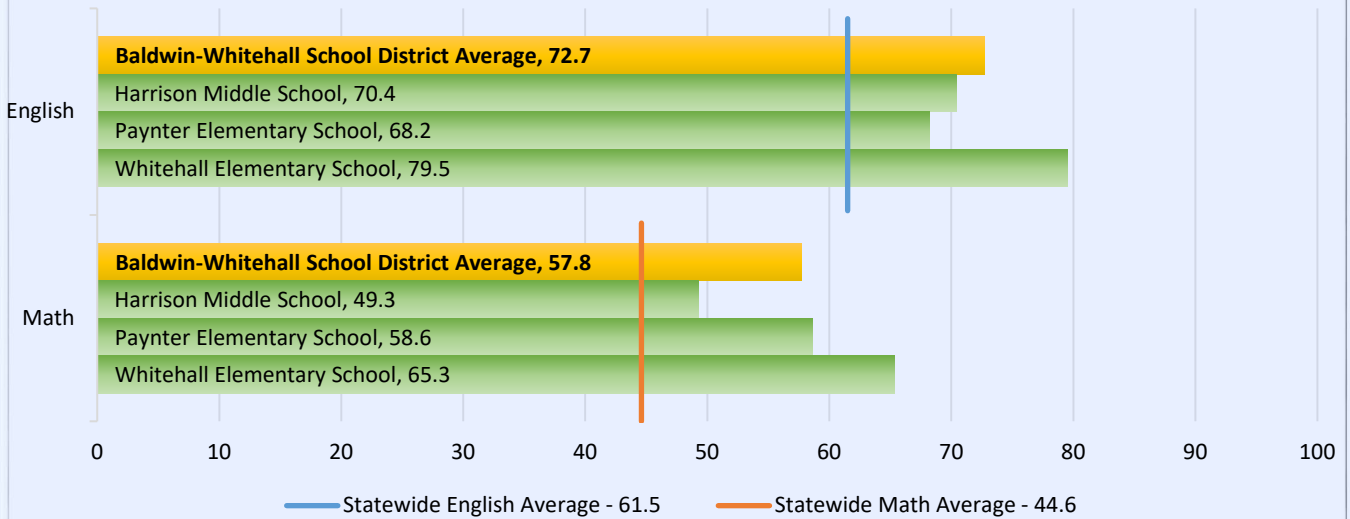
2016-17 SPP Scores



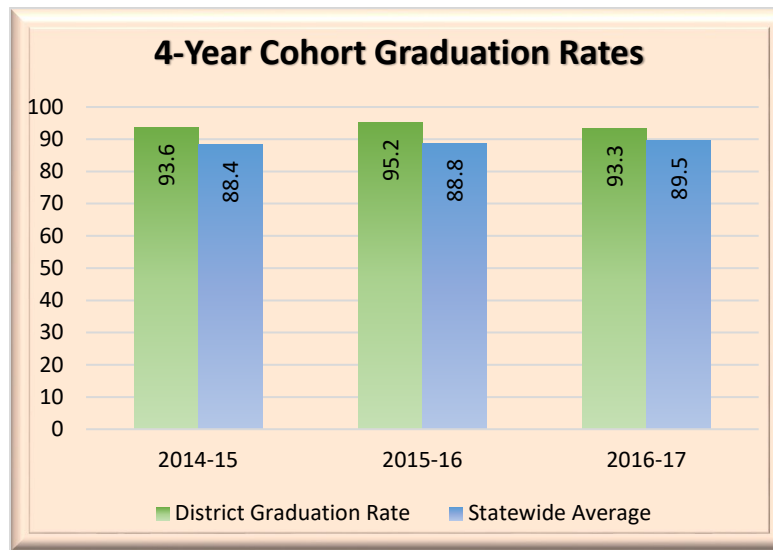
2016-17 Keystone % Advanced or Proficient



2016-17 PSSA % Advanced or Proficient



Graduation Data
District Graduation Rates Compared to Statewide Averages



Finding

Finding

The District Inaccurately Reported the Number of Nonpublic School Students Transported Resulting in a \$53,515 Overpayment to the District

Criteria relevant to the finding:

Supplemental Transportation Subsidy for Nonpublic Students

Section 2509.3 of the Public School Code (PSC) provides that each school district shall receive a supplemental transportation payment of \$385 for each nonpublic school student transported. *See* 24 P.S. § 25-2509.3.

Nonpublic school pupils are children whose parents are paying tuition for them to attend a nonprofit or parochial school.

Sworn Statement and Annual Filing Requirement

Section 2543 of the PSC sets forth the requirements for school districts to annually file a **sworn statement** of student transportation data for the prior and current school year with PDE in order to be eligible for the transportation subsidies. *See* 24 P.S. § 25-2543.

The local education agency should only request subsidies from students that are transported to schools that are nonpublic or private (parent paid tuition).

The Baldwin-Whitehall School District (District) was overpaid \$53,515 in transportation reimbursements from the Pennsylvania Department of Education (PDE). This overpayment was due to the District inaccurately reporting the number of nonpublic school students transported by the District during the 2014-15 and 2016-17 school years.⁸

School districts receive two separate transportation reimbursement payments from PDE. One reimbursement is broadly based on the number of students transported, the number of days each vehicle was used for transporting students, and the number of miles that vehicles are in service, both with and without students (regular transportation reimbursement). The other reimbursement is based on the number of charter school and nonpublic school students transported (supplemental transportation reimbursement). The issues discussed in this finding pertain to the District's supplemental transportation reimbursement.

According to the Public School Code (PSC), a nonpublic school is defined, in pertinent part, as a nonprofit school other than a public school within the Commonwealth of Pennsylvania, wherein a resident of the Commonwealth may legally fulfill the compulsory school attendance requirements.⁹ If school districts provide transportation services to students who reside in the district, the PSC requires school districts to provide transportation services to students who reside in its district and who attend nonpublic schools. The PSC also provides for a

⁸ The District initially did not have supporting documentation for the number of nonpublic school students reported to PDE for the 2015-16 school year. However, the District was able to obtain this documentation, and we reviewed the documentation and found that the number of nonpublic school students was accurately reported to PDE for the 2015-16 school year.

⁹ *See* Section 922.1-A(b) (pertaining to "Definitions") of the PSC, 24 P.S. § 9-922.1-A(b).

*Criteria relevant to the finding
(continued):*

Section 2543 of the PSC, which is entitled, “Sworn statement of the amount expended for reimbursable transportation payment withholding states, in part: “Annually, each school district entitled to reimbursement on account of pupil transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to pupil transportation for the prior and current school year. . . . The Department of Education may, for cause specified by it, withhold such reimbursement, in any given case, permanently, or until the school district has complied **with the law or regulations** of the State Board of Education.” (Emphases added.)

PDE has established a **Summary of Students Transported form (PDE-2089)** and relevant instructions specifying how districts are to report nonpublic students transported to and from school.

Number of Nonpublic School Pupils Transported

Enter the total number of resident NONPUBLIC school pupils you transported to and from school. Documentation identifying the names of these pupils should be retained for review by the Auditor General’s staff. NONPUBLIC school pupils are children whose parents are paying tuition for them to attend a nonprofit private or parochial school. (Any child that your district is financially responsible to educate is a PUBLIC pupil.)

reimbursement from the Commonwealth of \$385 for each nonpublic school student transported by the district.

It is also important to note that the PSC requires all school districts to annually file a sworn statement of student transportation data for the prior and current school years with PDE in order to be eligible for transportation subsidies. The Baldwin-Whitehall School District completed this sworn statement for each school year discussed in this finding.

The following table summarizes the District’s nonpublic school student reporting errors by school year and the resulting overpayments:

Baldwin-Whitehall School District Nonpublic School Student Errors		
School Year	Number of Students Over-Reported ¹⁰	Overpayment ¹¹
2014-15	66	\$ 25,410
2016-17	73	\$ 28,105
Total	139	\$ 53,515

District officials stated that it reported the total number of nonpublic school students recorded in its transportation software. The District reported the total number of nonpublic school students without reconciling the total to individual supporting documentation in the form of requests for transportation for each nonpublic school student. When we asked for the supporting documentation for the total number of nonpublic school students reported to PDE, we found that the District lacked supporting documentation for 66 students in the 2014-15 school year and 73 students in the 2016-17 school year. Furthermore, the District was unable to reproduce a list of the total number of nonpublic school students reported for the 2014-15 and 2016-17 school years. Without this list, we were unable to determine the specific nonpublic school students who were incorrectly reported to PDE. The inability to re-generate the total nonpublic school students reported to PDE for the 2014-15 and 2016-17 school years

¹⁰ The District reported 628 nonpublic students transported to PDE during the 2014-15 school year, 431 nonpublic school students during the 2015-16 school year, and 384 nonpublic school students during the 2016-17 school year.

¹¹ Calculated by multiplying the number of students over reported by \$385.

also caused us to question the District's statement that this number was generated from its transportation software.

The District accurately reported the number of nonpublic school students transported during the 2015-16 school year. During the 2015-16 school year, the District's business office was responsible for calculating and reporting the number of nonpublic school students. During the remaining school years of the audit period, the District's transportation department was responsible for calculating the number of nonpublic school students transported. The District's business office reported this number without reviewing the supporting documentation for this number or comparing it to the number of nonpublic school students reported to PDE in previous school years.

The District did not have written administrative procedures for reporting transportation data that specifically addressed nonpublic school student reporting. Additionally, the District did not have a process to reconcile nonpublic school students to individual requests for transportation. A reconciliation process of this nature could have helped the District identify inaccurate data.

During our review of the "preliminary" number of nonpublic school students reported by the District to PDE for the 2017-18 school year, we found that the District failed to report 148 nonpublic school students who were eligible for reimbursement.¹² When we brought this issue to the attention of the District, the District was able to revise the preliminary numbers and its supplemental transportation reimbursement will be increased \$56,980 for the 2017-18 school year. The District failed to report the 148 nonpublic school students in this year because the District relied on their list of nonpublic school pupils, created on the District's software program, in lieu of the actual requests for transportation provided by the nonpublic schools. The District's software-created list did not agree with the total number of actual requests for transportation retained by the District.

It is essential that the District accurately report transportation data to PDE and retain the supporting documentation for this transportation data. Further, the

¹² District's annual report preliminary transportation data and have the opportunity to revise this data before it becomes final and PDE uses the final transportation data to calculate the transportation reimbursement amount.

sworn statement of student transportation data should not be filed with PDE unless the data has been double checked for accuracy by personnel trained on PDE's reporting requirements.

We provided PDE with reports detailing the nonpublic school student reporting errors for the 2014-15 and 2016-17 school years. PDE requires these reports to verify the overpayment to the District. The District's future transportation subsidies should be adjusted by the amount of the overpayment for these two years.

Recommendations

The *Baldwin-Whitehall School District* should:

1. Perform yearly reconciliations of bus rosters to student requests for transportation to ensure all nonpublic students are accounted for and are accurately reported to PDE.
2. Develop written administrative procedures for transportation reporting. These procedures should include a review of the transportation data by an individual other than the person who prepared the data to provide additional assurance of the accuracy of the information before it is submitted to PDE.
3. Ensure personnel in charge of calculating and reporting the number of nonpublic school students transported by the District are trained with regard to PDE's transportation reporting requirements.

The *Pennsylvania Department of Education* should:

1. Adjust the District's future transportation subsidies to resolve the \$53,515 overpayment to the District.

Management Response

District management provided the following response:

"While the District agrees that there were deficiencies in the reporting of non-public students to PDE, we do feel the reporting was completed in accordance with the information available through our vendor software. The deficiency identified relates to the lack of supporting

documentation to support the information contained in the software as well as a lack of knowledge of the software system by previous Transportation Department management. In order to ensure that all non-public information is reported accurately to PDE, the District will create written procedures that document all of the steps in the process to be followed by personnel responsible for this reporting. The steps in the process are identified below:

- Input of all non-public students into [the transportation software] will only be completed by transportation department personnel after receipt of request for transportation from either the non-public school or the parent of the student.
- The creation of a spreadsheet by the transportation department to track all changes to non-public transportation throughout the year including information such as student name, change date and school.
- Prior to reporting year-end data to PDE, both the Transportation Department and the Business Office will review the data to provide assurance that all non-public students are counted.
- All data that is utilized in the completion of this annual PDE report will be printed from the software and maintained in the Transportation Department to show the supporting documentation used in the completion of the report.

Auditor Conclusion

We are pleased that the District intends to implement our recommendations and has developed procedures for improved data accuracy entered into the District's transportation software and enhanced reporting of transportation data to PDE. We believe that our recommendations will help the District to improve its internal controls over the accuracy of transportation data reported. We will evaluate the effectiveness of the corrective actions taken by the District during our next audit of the District.

Status of Prior Audit Findings and Observations

Our prior audit of the Baldwin-Whitehall School District (District) released on June 19, 2015, resulted in three findings, as shown below. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We interviewed District personnel and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on June 19, 2015

Prior Finding No. 1: The Baldwin-Whitehall Board of School Directors Frequently Exercised Poor Governance Over the District, Including a Failure to Comply with the Public School Code

Prior Finding Summary: We found that the District's Board of School Directors (Board) frequently exercised poor governance over the District. We determined that this poor governance by the Board manifested itself in three main areas. The Board failed to properly oversee the District's fiscal operations, failed to adhere to its own board policy, and failed to fully comply with the Public School Code.

Prior Recommendations: We recommended the District's Board should:

1. Hold District management accountable for addressing all audit recommendations and properly implementing the necessary policies and procedures. Consistently monitor management's performance to ensure that the District has a sound operational structure and has the governance necessary to achieve its financial and operational objectives.
2. Comply with all Public School Code regulations.
3. Immediately initiate implementation of the recommendations in the District's last four independent financial audits, the forensic audit, and the Department of the Auditor General's performance audit reports.
4. Ensure that District personnel maintains all the documentation required to verify that it has developed and implemented the policies, procedures, techniques, and mechanisms that ensure goals are met and that the risk of errors are reduced.
5. Identify all of the District's key activities and then ensure that there are written policies and procedures to govern them. In

addition, the District's management should develop a process for monitoring whether staff regularly follows these established protocols. The District's strategy for implementing a system of accountability should include:

- i. Keeping proper documentation, including complete and accurate board meeting minutes documenting the status of the implementation of the auditors' recommendations.
- ii. Developing policies and procedures to address the immediate implementation of all audit recommendations within a year of receiving the audit.

Current Status:

The District implemented our prior audit recommendations. Specifically, the District implemented the recommendations noted in its independent financial audits and forensic audit. The District has developed written policies and procedures around key activities and the Board monitors management's performance in achieving financial objectives. In addition, the District now maintains complete documentation and has implemented policies and procedures to govern key activities.

Prior Finding No. 2: Lack of Internal Controls Over the Use of District Procurement Cards

Prior Finding Summary: We found that the District failed to adhere to the board policies, approved manuals, and procedures governing the use of procurement cards.

Priors Recommendations: We recommended the District should:

1. Ensure that all employees authorized to use the procurement cards receive instructions on how to use them.
2. Ensure all employees authorized to use procurement cards sign an employee usage agreement form, which is then maintained in the District's business office.
3. Set up a monthly dollar spending limit and a daily or transaction limit on all District procurement cards.
4. Track all procurement card transactions on a log maintained in the District's business office.
5. Attach detailed sales receipts and packing slips to the transaction and reconciliation log at month end.

6. Document every item purchased with a procurement card, as well as the corresponding cost. All receipts should be supplemented with a written explanation or supporting detail regarding the reason for the procurement card purchases, including how the purchase is related to District operations.
7. Compare and evaluate all transaction and reconciliation logs against the bank monthly memo statements.
8. Maintain a list of all employees who are issued or authorized to use the procurement cards.
9. Keep track of the employees who are authorized to use the procurement card and those who have lost those privileges due to termination or any other reason.

Current Status:

The District implemented our prior audit recommendations. Specifically, we found that the District signed user agreements for all procurement card holders, who are aware of set spending limits and restrictions. In addition, the District has implemented recommended internal controls including reconciliations, logs, card holder lists, authorization forms, and verifies individual purchases prior to authorizing payment.

Prior Finding No. 3: Inadequate Documentation to Support Commonwealth-Paid Tuition for Institutionalized Children and Children Placed in Private Homes

Prior Finding Summary: We reviewed the District's student membership records for the 2008-09, 2009-10, 2010-11, and 2011-12 school years. We found that the District did not maintain adequate documentation to support membership days reported to the Pennsylvania Department of Education (PDE) for nonresident students placed in private homes (foster children) or for children placed in institutions (state wards).

Prior Recommendations: We recommended that the District should:

1. Develop written policies and procedures to ensure proper classification of students enrolling in the District as resident or nonresident students.
2. Ensure that the staff responsible for enrolling in the District obtain and retain all required documents at the time of enrollment including, but not limited to, a placement order from the court or agency showing that the student has been placed in foster care or

an institution, documentation showing that the student's custodial parent/legal guardian does not reside in the district where the student has been placed, and documentation to show that the foster parent is receiving a per diem allowance from the court or placement agency for caring for the student.

3. Provide regular in-service training to administrative and clerical personnel responsible for recording and reporting membership data. This training should stress the importance of maintaining accurate and complete records and the relationship of membership data to state subsidies and reimbursements.

We also recommended PDE should:

4. Take necessary steps to recover the total tuition paid to the District of \$343,061 for the four school years audited.

Current Status:

The District implemented our prior audit recommendations. Specifically, the District has developed written policies and procedures to ensure proper classification of students and has obtained and retained all pertinent documentation for audit. Additionally, in the fall of each school year starting with October 2015, the District has provided training to administrative and clerical staff stressing the importance of complete and accurate membership records. As of July 8, 2019, PDE has not recovered from the District the \$343,061 in total tuition cited in the prior audit.

Appendix: Audit Scope, Objectives, and Methodology

School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, the Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,¹³ is not a substitute for the local annual financial audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Scope

Overall, our audit covered the period July 1, 2014 through June 30, 2018. In addition, the scope of each individual audit objective is detailed on the next page.

The Baldwin-Whitehall School District's (District) management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements).¹⁴ In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, if applicable, that we considered to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

¹³ 72 P.S. §§ 402 and 403.

¹⁴ Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as: effectiveness and efficiency of operations; relevance and reliability of operational and financial information; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2014 through June 30, 2018. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's efficiency and effectiveness in the following areas:

- Transportation Operations
- Bus Driver Requirements
- School Safety

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- ✓ Did the District ensure compliance with applicable laws and regulations governing transportation operations, and did the District receive the correct transportation reimbursement from the Commonwealth?¹⁵
 - To address this objective, we randomly selected 10 of 81 buses used to transport District students during the 2014-15 school year.¹⁶ For each vehicle selected, we obtained driver log sheets noting miles traveled with and without students, odometer readings, and weighted calculations. We expanded our review and judgmentally selected 39 of the 349 buses used to transport students for the 2015-16, 2016-17, and 2017-18 school years.¹⁷ Our review of this component noted no reportable issues.
 - Additionally, we reviewed all nonpublic school students reported to PDE as transported by the District during the 2014-15 through 2017-18 school years.¹⁸ We ensured that each nonpublic school student had the appropriate request for

¹⁵ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

¹⁶ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the entire population.

¹⁷ These buses were selected because we considered them to have a higher risk of reporting errors due to the specific bus routes traveled. Therefore, the selection is not representative of the population of buses, and the results should not be, projected to the population.

¹⁸ The District reported 628 nonpublic students transported during the 2014-15 school year, 431 transported during the 2015-16 school year, 431 transported during the 2016-17 school year, and 285 transported during the 2017-18 school year.

transportation for the school year transported. The results of our review of this objective can be found in the Finding on page 9 of this report.

- ✓ Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances¹⁹ as outlined in applicable laws?²⁰ Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - To address this objective, we randomly selected 10 of the 57 bus drivers transporting District students as of March 19, 2019.²¹ We reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures, when followed, ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any reportable issue.
- ✓ Did the District take actions to ensure it provided a safe school environment?²²
 - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, anti-bullying policies, and after action reports. In addition, we conducted on-site reviews at three out of the District's five school buildings (one from each education level)²³ to assess whether the District had implemented basic safety practices.²⁴ The results of our review of school safety are shared with the District officials, PDE, and other appropriate agencies deemed necessary.

¹⁹ Auditors reviewed the required state, federal and child abuse background clearances from the most reliable sources available, including the FBI, the Pennsylvania State Police and the Department of Human Services. However, due to the sensitive and confidential nature of this information, we were unable to assess the reliability or completeness of these third-party databases.

²⁰ 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8*.

²¹ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the entire population.

²² 24 P.S. § 13-1301-A *et seq.*

²³ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the entire population.

²⁴ Basic safety practices evaluated were building security, bullying prevention, visitor procedures, risk and vulnerability assessments, and preparedness.

Distribution List

This report was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

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